

specific liquidity and long-term solvency ratios. There are no compensating balance arrangements or dividend restrictions.

Capital Stock: Nicolet Instrument Corp. common; par \$0.25: AUTH.—15,000,000 shs.; outstg., Mar. 29, 1992, 7,523,242 shs.; reserved for Co.'s various option plans, 970,556 shs.; reserved for warrants 280,000 shs.; par \$0.25.

\$0.25 par shares split 3-for-2 (effected in the form of a stock div.) Aug. 20, 1975, May 3, 1977, Feb. 15, 1979 and Mar. 20, 1980.

VOTING RIGHTS—Has one vote per sh. with non-cumulative voting for directors. No preemptive rights.

DIVIDENDS PAID (calendar years) —

1974.....\$0.10 1975.....\$0.10
On \$0.25 par shs. after 50% stk. div.:
1975.....0.10 1976.....0.20 1977.....\$0.10

On \$0.25 par shs. after 50% stk. div.:
1977.....0.10 1978.....0.23 1979.....0.06

On \$0.25 par shs. after 50% stk. div.:
1979.....0.06

On \$0.25 par shs. after 50% stock div.:
1979.....0.18 1980.....0.06

On \$0.25 par shs. after 50% stk. div.:
1980.....0.18 1981.....0.24 1982.....0.18

1983.....0.03 1984-86.....0.12 1987-91.....Nil

Plus stock purchase rights, in 1986, see below.

DIVIDEND DISTRIBUTIONS DISCONTINUED—On Jan. 20, 1987, Co. announced that its Board of Directors had discontinued the policy of dividend distributions. In the past, dividends have been declared at the quarterly rate of \$0.03 per share.

OFFERED—(370,000 shs.) at \$10.25 a sh. on June 24, 1971 thru Piper, Jaffray & Hopwood, Inc. and associates. Proceeds of 50,000 shs. for Co. account to acquire and construct capital equipment.

(350,000 shs.) at \$8.50 per sh. on June 28, 1977 thru Piper, Jaffray & Hopwood Inc. & associates. Proceeds to reduce bank debt.

(500,000 shs.) at \$16 per sh. on Oct. 31, 1979 thru E.F. Hutton & Co. Inc., Piper Jaffray & Hopwood Inc., Dain Bosworth Inc. and associates. Proceeds to reduce revolving credit agreement debt and for future working capital requirements.

800,000 shs. at \$17.50 per sh. on July 7, 1983 thru Kidder, Peabody & Co., Dain Bosworth Inc. and associates. Proceeds to reduce bank debt and provide funds for capital expenditures and working capital required for future growth.

TRANSFER AGENT & REGISTRAR—Norwest Bank Minnesota, N.A., South St. Paul, Minnesota.

LISTED—On NYSE (Symbol: NIC).

PRICE RANGE—

High.....1991 1990 1989 1988 1987
Low.....16 13 14 13 24

Warrants: Outstg., Mar. 29, 1992, warrants to purchase 280,000 shs. of com. stk. at \$11.625 per sh., expiring Oct. 31, 1993.

Preferred Stock Purchase Rights: Co. declared a dividend distribution of one preferred stock purchase right for each outstanding share of common stock of Co. effective Apr. 26, 1991.

Initially, the rights will not be exercisable or in physical form. The privilege to entitlement will trade with the common stock. However, should a person or group acquire 10% or more of Co.'s shares or announce an offer to acquire 10% or more of the shares, the rights will become exercisable 10 days later and separate certificates representing the rights will be distributed. At that time, the rights could begin to trade independently from Co. shares.

If the rights become exercisable, a holder will be entitled to buy from Co. one two-hundredth of a share of series A junior participating preferred stock of Co. for \$40. If Co. is involved in a merger or other business combination at any time after the rights become exercisable, the rights will be modified so as to entitle a holder to buy a number of the acquiring Co.'s common shares having a market value of twice the exercise price of each right. If a 10% holder acquires Co. by means of a reverse merger in which Co. and its shares survive, or engages in self-dealing transactions with Co., each right not owned by the acquirer would become exercisable for the number of shares of Co.'s common stock which at that time would have a market value of two times the exercise price of the right.

The rights will expire on Apr. 26, 2001.

The rights may be redeemed by Co. for one cent per right prior to a public announcement that 10% or more of the shares of common have been acquired.

LISTED—On New York Stock Exchange.

NIKE, INC.

History: Organized in Oregon in 1968 as the successor to a partnership organized in 1964.

On May 24, 1988, Co. acquired Cole Haan Holdings, Inc. and its subsidiaries for \$89,200,000 in cash and 243,713 shs. of Co. com. stock.

Business: The Company designs, develops and markets a large variety of athletic footwear and apparel for competitive and recreational users.

Property: The Company's headquarters and Foreign administrative office located in Beaverton, Oregon.

The Company maintains sales and distribution centers in Memphis, Tennessee; Wilsonville, Oregon and Greenland, New Hampshire. A Canadian

sales and Marketing Office is located in British Columbia.

The Company has European and Asian sales and marketing offices in the following nations:

Great Britain	Germany
France	Norway
Italy	Sweden
Spain	Denmark
Taiwan	Singapore
Malaysia	

Subsidiary

Cole Haan Holdings, Inc.

Officers

P.H. Knight, Chmn. & C.E.O.
R.K. Donahue, Pres. & C.O.O.
W.J. Bowerman, Dep. Chmn. & Sr. V.P.
D.J. Hayes, Exec. Vice-Pres.
L.D. Stewart, V.P. & Corp. Counsel
J.E. Jaqua, Secretary

Vice-Presidents

T.E. Clarke
G.E. Porter
H.C. Carsh
R.E. Nelson

Directors

W.J. Bowerman
R.T. Davis
R.K. Donahue
D.G. Houser
P.H. Knight
C.W. Robinson

Auditors: Price Waterhouse.

Shareholder Relations: R.R. Parham, Dir. Inv. Rel. Tel: (503) 641-6453.

Annual Meeting: In September.

No. of Employees: May 31, 1990, 4,515 approx.

Address: One Bowerman Drive, Beaverton, OR 97005. Tel: (503) 641-6453. Fax: (503) 644-6655.

Consolidated Income Account, years ended May 31 (\$000):

	1991	1990	1989
Revenues	3,003,610	2,235,244	1,710,803
Cost of sales	1,850,530	1,384,172	1,074,831
Selling & admin.	664,061	454,521	354,825
Interest	27,316	10,457	13,949
Other income (exp.)	43	7,264	3,449
Total costs & exps.	2,541,864	1,841,886	1,440,156
Inc bef income taxes	461,746	393,358	270,647
Income taxes	174,700	150,400	103,600
Net income	287,046	242,958	167,047
Prev retained earnings	701,728	486,862	340,325
Divs on redeemable			
pfd stk	30	30	30
Divs on com stock	39,084	28,062	20,480
Retained earnings	949,660	701,728	486,862
Earn com sh	\$3.77	\$3.21	\$2.22
Common shares (000):			
Year-end	75,296	74,972	74,598
Average	76,067	75,668	75,144
Adj for 100% stk div, 10/5/90			

Consolidated Balance Sheet, as of May 31 (\$000):

	1991	1990
Assets:		
Cash and equivalents	119,804	90,449
Accounts receivable, net	521,588	400,877
Inventories	586,594	309,478
Deferred income taxes	25,536	17,029
Prepaid expenses	26,738	19,851
Total current assets	1,280,260	837,682
Gross prop, plant & equip	397,601	238,461
Less accum depreciation	105,138	78,797
Prop, plant & equip, net	292,463	159,664
Goodwill	114,710	281,021
Other assets	20,997	16,185
Total assets	1,708,430	1,094,552
Liabilities:		
Current portion of lg tm debt	580	8,792
Notes payable	300,364	31,102
Accounts payable	165,912	107,423
Accrued liabilities	115,824	94,939
Income taxes payable	45,792	30,905
Total current liab	628,472	273,161
Long-term debt	29,992	25,941
Non-curr def inc tax & purch tax bns	16,877	10,931
Redeemable pfd stock	300	300
Class A conv com stock	512,614	512,614
Class B com stock	512,712	512,706
Cap in excess of stated value	84,681	78,582
Fgn currency transl adj	44,428	41,035
Retained earnings	949,660	701,728
Total sholders' equity	1,032,789	784,219
Total liab & stk eq	1,708,430	1,094,552
Net current assets	651,788	564,521
Book value	\$12.19	\$9.38

Allow for doubtful accounts: 1991 \$14,288,000; 1990 \$10,624,000; 1989 \$8,362,000. Issued: 1991 \$12,062,000; 1990 \$8,362,000; 1989 \$12,062,000. No par value: 1991 \$27,438,000; 1990 \$28,102,000; 1989 \$28,102,000. No par value: 1991 \$60,000,000; 1990 \$60,000,000; 1989 \$60,000,000. Issued: 1991 \$191,478,588,000; 1990 \$191,478,588,000; 1989 \$191,478,588,000.

Long-Term Debt: Outstg. May 31, 1991, \$30,572,000 comprised of:

(1) \$75,000 8.25% capital equipment purchase agreement payable in installments thru 1991.

(2) \$25,000,000 8.45% unsecured term loan, due July 1993.

(3) \$5,497,000 other long-term debt.

The \$25,000,000 term loan agreement requires, among other things, the maintenance of specified financial ratios and balances and contains limits on the amount of investments and sales of assets.

Capital Stock 1. Nike, Inc. \$0.10 redeem. pfd:

AUTH.—300,000 shs.; outstg. May 31, 1991, 300,000 shs.; par \$1.

DIVIDEND RIGHTS—Entitled to cumulative cash divs. at a rate of \$0.10 per sh.

VOTING RIGHTS—None. Holders of pfd. stock have the right to vote as a separate class on sale of all or substantially all of the assets of Co. and its subsidiaries; on merger, consolidation, liquidation or dissolution of Co.; or on sale or assignment of the NIKE trademark for athletic shoes sold in the United States.

PREEMPTIVE RIGHTS—None.

CALLABLE—At \$1 per share, plus accrued dividends, and the holders of such pfd. stock have the right to require Co. to redeem their shares at the same price.

LIQUIDATION RIGHTS—In liquidation, entitled to \$1 per sh.

2. Nike, Inc. Class A conv. common; no par:

AUTH.—60,000,000; outstg. May 31, 1991, 27,438,000 shs.; no par.

Paid 100% in stk. in 1983 and 1990.

CONVERSION—Each sh. of Cl. A com. is convertible into one sh. of Cl. B com. at any time.

DIVIDENDS—Cash dividends can't be paid on Cl. A until the redeemable preferred are paid.

PREEMPTIVE RIGHTS—No preemptive rights.

3. Nike, Inc. Class B common; no par:

AUTH.—150,000,000 shs.; outstg. May 31, 1991, 47,858,000 shs.; reserved for options 1,964,000 shs. (incl Cl. A com. shs.); no par.

VOTING RIGHTS—Cl. B voting rights are limited in certain circumstances with respect to the election of directors.

DIVIDENDS (payments since 1982 follow):

1983.....\$0.40 1989.....\$0.60 1990.....\$0.80

After 100% stk. div. in 1990: \$0.60 1990.....\$0.80

After 100% stk. div. in 1990: \$0.15 1991.....\$0.15

Also paid stk. divs.: 1983, 100%; 1990, 100%; 1991, 100%.

OFFERED—(2,377,000 shs.) at \$22.00 per sh. (proceeds to Co., \$20.90 per sh.) on Dec. 2, 1980 thru Lehman Brothers Kuhn Loeb Inc. and associates.

(1,500,000 shs.) at \$48.625 per sh. on Oct. 14, 1982 thru Lehman Brothers Kuhn Loeb Inc. and associates.

TRANSFER AGENT & REGISTRAR—United States National Bank of Oregon, Portland, Ore.

LISTED—On NYSE (Symbol: NKE).

PRICE RANGE: 1991 1990 1989 1988 1987

High.....75 47 67 34 24

Low.....35 24 25 17 11

1989 and prior, bid prices. Adj. for 100% stk. div.

NL INDUSTRIES, INC.

History: Incorporated in New Jersey, Dec. 8, 1891 as National Lead Co. to acquire the properties and business of various manufacturers of white lead and oxides of lead and one lead mining and smelting company, paying therefore 149,040 shares of 7% cumulative class A preferred and 149,054 shares of common, both of \$100 par value. Present name adopted Apr. 15, 1971.

For acquisitions, mergers, etc., prior to 1955, see Moody's 1969 Industrial Manual.

For acquisitions, mergers, etc., prior to 1980, see Moody's 1989 Industrial Manual.

In 1980, sold NL Magnesium for approx. \$60,000,000.

In Apr. 1981, acquired Sperry-Sun, Inc. for \$252,340,000 in cash.

In Nov. 1982, sold its Metals division to Parley Metals, Inc.

In 1983, sold Well Service Division.

In 1984, acquired 40% interest in Triumph Drilling, Inc.

On Aug. 1, 1985, Co. announced that it completed the acquisition of the Spencer Kellogg division of Textron Inc. for \$57,000,000 in cash as well as a royalty on certain products manufactured and sold by Spencer Kellogg.

In Nov. 1985, Co. sold Rucker Products Division, a fluid power distribution business, to Amstar Distribution Corp. for cash proceeds of approximately \$16,000,000.

In Oct. 1989, Co. purchased from Valhi 3,212,800 shares of common stock of Lockheed Corp. for \$160,000,000.

In Jan. 1989, sold its United Kingdom specialty resins business.

On Mar. 18, 1991, sold 12 million Lockheed Corp. com. shs., retaining 500,000 shs. for investment.

Interest in Digicon, Inc.: In Dec. 1984 Co. purchased \$28,352 shs. of common stock of Digicon, Inc. for \$3,313,408, which represents approximately 17% of Digicon's outstanding common stock, and 250,000 shares of \$2.95 convertible series A preferred stock for \$9,187,500. Each share of preferred stock is convertible into 9.1875 shares of common stock with conversion privilege expiring in Aug. 1992. If preferred stock were to be fully converted at Dec. 31, 1984, Co.'s investment would represent approximately 40% of Digicon's outstanding common stock. In addition, Co. was issued warrants to

an additional 3,916,000 shares of common stock at \$4 per share with exercise of warrants expiring on Dec. 22, 1991. Co. is conducting research activity in 1985 and 1986. Co. is planning for its investment in common stock on an ongoing basis.

Off: On Dec. 27, 1988 one share of Baroid common stock was distributed for each share of com. stock owned of record on Dec. 22. Co.'s board of directors separated its petroleum services and chemicals divisions into two publicly traded companies.

Under the plan, Co. made a pro-rata distribution of the com. stock of its petroleum services subsidiary to Co. com. shareholders. Co. also separated the terms of its ser. C pfd. stock to accomplish a redemption of each share of ser. C stock for approximately 10 shs. of Co. com. stock.

The result of the plan is that NL Petroleum Services is a publicly traded company, owned primarily by Co.'s present com. shareholders, and Valhi, which consists principally of Co.'s chemical operations, owned approximately 91% by Co.'s ser. C stockholders and approximately 9% by Co.'s present com. stockholders.

Control: At Dec. 31, 1991, Valhi, Inc. held 48% of Co.'s outstanding common stock and Kronos Corporation, a 44% owned affiliate of Valhi, held an additional 15% of NL's outstanding common stock. Contran Corp. holds, directly or through subsidiaries, 90% of Valhi's outstanding common stock. All of Contran's outstanding common stock is held by a trust established by Harold C. Simmons for the benefit of his children and grandchildren, of which Mr. Simmons is sole trustee. Mr. Simmons, the Chairman of the Board of each of Co., Valhi and Contran, may be deemed to control each of the companies referred to above.

Business: Co. is primarily a holding Company with its continuing operations conducted primarily through two wholly-owned subsidiaries, Kronos, Inc. and Rheox, Inc. Co. is an international producer and marketer of chemical products. Chemical product lines consist of (i) titanium dioxide pigments sold under the Titanox and Kronos trademarks and (ii) specialty chemicals, comprised of rheological additives. These products are used in the production of a wide variety of common-place products, including paints, plastics, paper, fibers, ceramics, rubber, inks, adhesives, cosmetics and grease products. The Company sells and provides technical services for its customers in approximately 100 countries, with the largest portion of sales in Western Europe, the United States and Canada.

Principal Plants and Properties: Co.'s principal executive offices are located in Houston, Texas. Co. also leases plants as follows:

Titanium Dioxide Pigment Plants

Leverkusen, Germany Nordenham, Germany
Langerbrugge, Belgium Fredrikstad, Norway
Varenes, Quebec, Canada Lake Charles, La.

(2)

Rheological Additives Plants

Charleston, West Virginia St. Louis, Missouri
Livingston, Scotland Nordenham, Germany
Newbury Springs, Cal.

Under construction

Subsidiaries and affiliates

As of Dec. 31, 1990, Co. functions as both an operating and a holding company owning 100% (except as noted) of the voting control of the following:

Rheox, Inc.
NL World Services, S.A./N.V.
NL Chemicals

Abbey Chemicals Limited (Scotland) (70%)
Bentone-Chemie GmbH (West Germany) (70%)
Kronos, Inc.

Kronos Titan A/S (Norway)
Kronos Titan GmbH (West Germany)
NL CHEM Canada, Inc. (Canada)

NL Chemicals Europe, Inc. (Belgium)
NL Chemicals S.A./N.V. (Belgium)
NL Chemicals U.K. Limited (United Kingdom)

Societe Industrielle du Titane, SA (France) (98%)
Titania A/S (Norway)
KS Iimenittmelteverket A/S (Norway) (15%)

Officers

H.C. Simmons, Chairman
J.L. Martin, Pres. & C.E.O.
Dr. L.A. Wigdor, Exec. Vice-Pres.
S.E. Alderton, V.P. & Treas.
D.B. Garten, V.P. Gen. Coun. & Sec.
D.G. Newkirk, V.P. & Contr.

Directors

J.L. Martin
G.R. Simmons
J.R. Sloan
E.R. Zumwalt, Jr.

K.R. Peak
H.C. Simmons
M.A. Snetzer

Auditors: Coopers & Lybrand.

General Counsel: David B. Garten.

Annual Meeting: In May.

No. of Employees: Dec. 31, 1991, 3,500 (approx.).

No. of Stockholders: Mar.